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April 26, 2007
Arizona Corporation Commission

HAND DELIVERY

Ernest Johnson
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

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Re: Johnson Utilities Company; Docket No. WS-02987A-04-0288; Motion to Extend

Dear Mr. Johnson:

We are in receipt of the Staff Report dated April 13, 2007 in the subject Docket. We appreciate Staff's support in coordinating the dates of the possible Rate Case with the pending Transfer/Deletion Application in Docket No. WS-02987A-07-0203.


Our only concern is that in a complex transaction like the sale to the Town of Florence, timetables sometimes slip. We presently have no reason to believe it will, and a tentative November 26, 2007 Open Meeting and year-end closing of the sale are still what the parties are anticipating. However, if the timetable should slip by 60 or 90 days, the renegotiations with the Town and the Staff's recommended end of the Test Year could coincide. In that scenario the Company would need to immediately commence preparation of a mid-year Test Year to meet the December 31, 2007 filing date. Additionally, a mid-year Test Year is certainly more difficult for the Staff and the Applicant. We believe both the timing and the Test Year would be burdensome.

We concur with Staff's recommendation that the Bond remain in place until the Decision in Docket No. 07-0203, but would urge the Commission to extend the Rate Case Test Year and filing dates to December 31, 2007 and June 30, 2008, respectively.

Ernest Johnson
April 26, 2007
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Thank you for your consideration this matter. If we can provide additional information on this matter, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Sallquist', written over a horizontal line.

Richard L. Sallquist
For the Firm

Enclosure

cc: Docket Control (15 copies)
Brian McNeill
Blessing Chukwu
Hearing Division
Legal Division
Brian Tompsett